

DELIVER MORE VALUE WITH **X- AND O-DATA**

A CX leader's guide to integrating X- and O-data

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Walker is an experience management (XM) services firm. We specialize in helping today’s companies build and maintain a competitive advantage by delivering exceptional experiences.

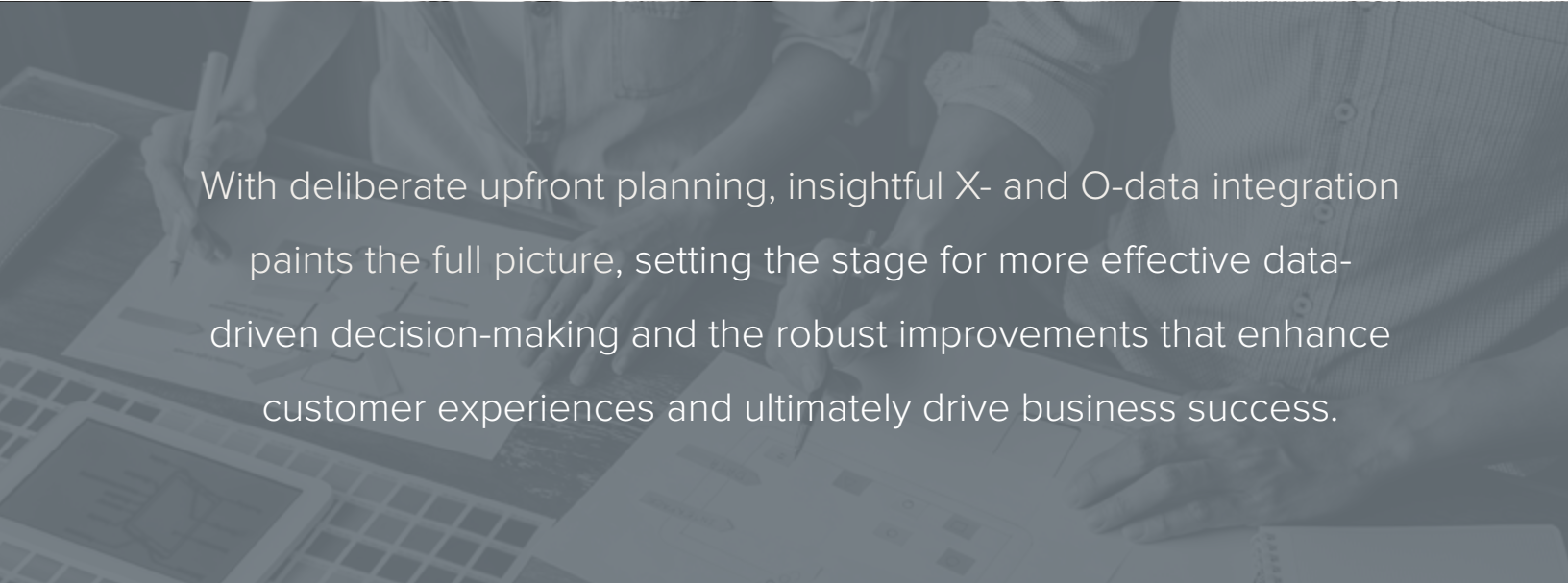
OPERATIONAL DATA AND EXPERIENCE DATA

In the simplest terms, they illustrate how well a company performs (O-data) and how the experience looks and feels to customers (X-data). While both are valuable, as independent sources of information, each one paints just half the picture. It's only through the artful integration of X- and O-data that companies gain comprehensive, full-view intelligence to make strategic business decisions that markedly improve the customer experience and create a sustainable competitive advantage.

Admittedly, X- and O-data integration can be a tough concept to grasp, with many companies failing to execute simply because they have trouble seeing why it makes sense and how it adds value. Stepping outside the business arena, consider an analogy from healthcare. Every visit to a doctor starts with a series of checks such as body temperature, blood pressure, heart rate and more – all forms of O-data. But then the doctor gathers the patient's personal feedback regarding how they feel – the X-data. This patient input might prompt the doctor to gather

additional O-data – perhaps a blood test or diagnostic exam – to get a complete picture.

In business, a well-executed marriage of X and O works in a similar way. With deliberate upfront planning, insightful X- and O-data integration paints the full picture, setting the stage for more effective data-driven decision-making and the robust improvements that enhance customer experiences and ultimately drive business success.



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THE VALUE

As today's companies look for new and better ways to get and stay ahead, meaningful integration of operational and experience data is fast becoming a "must do" in competitive business environments. And while successful execution poses some challenges, tackling X- and O-data integration in some form is essential.

The good news? When done right, there's

tremendous value to be gained, especially as the integration matures to render more personalized customer experiences and opportunities to establish the return on investment of customer experience (CX) initiatives. Along the way, the integration guides effective service delivery and enables companies to consistently deliver a fine-tuned experience across the customer journey.

A photograph of three people in an office setting. Two women and one man are seated at a desk, looking at a laptop and some papers. The image is overlaid with a semi-transparent green filter.

SALES TEAMS

Sales teams integrate buying patterns and demographic information with customer insights to target the right customers for new solutions. Others compare the internal sales process and external buying experience between wins and losses to identify systemic reasons for lost deals and common winning variables.

A photograph of two people in a warehouse or logistics setting. One person is standing and looking at a clipboard, while the other is seated. The image is overlaid with a semi-transparent green filter.

SHIPPING/ DELIVERY DEPARTMENTS

Shipping/delivery departments combine efficiency metrics such as "On Time/In Full" deliveries with customer insights so they can adjust goals for timely delivery that truly meet or exceed customer expectations.

Early on, however, X- and O-data integration helps companies ensure their internal metrics align with customer expectations. This can be accomplished in functional areas across the organization.

Aligning internal metrics (O-data) with customer expectations (X-data) is just one of the valuable outcomes of data integration. The process also

enables companies to identify key experience and operational drivers that expand the organization's understanding of the symptoms and causes of both customer experience failures and operational inefficiencies.



CONTACT CENTERS

Contact centers do a better job of exceeding customer expectations and preferences by combining customer insights with metrics, such as first-call resolution, average resolution time, adherence to service level agreements (SLAs) and number of transfers/handoffs.



ACCOUNT MANAGEMENT

Account management uses loyalty metrics along with revenue figures and renewal metrics to develop more accurate forecasts, identify at-risk customers and target customers poised for upsell.

MAKING IT WORK

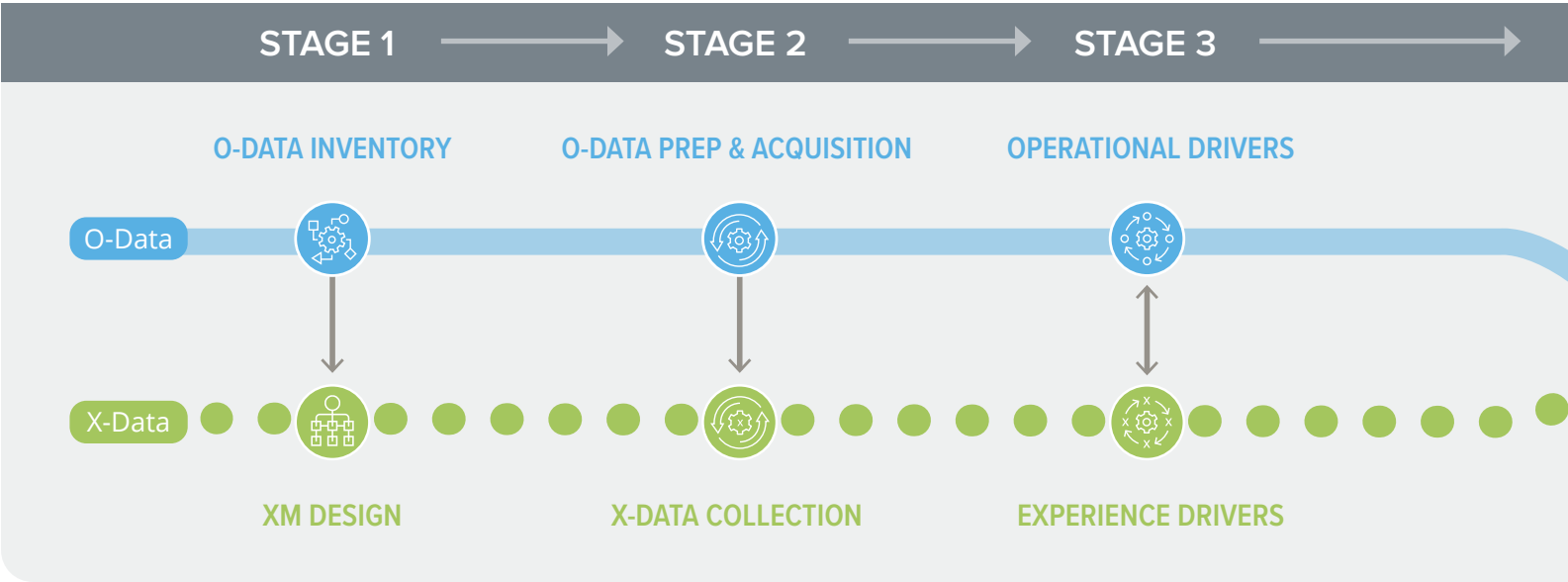
While the value of X- and O-data integration is undeniable, the process can be challenging for most companies. Doing it right—and making it work for any business—requires strategic planning, company-wide buy-in and engagement and deliberate execution. In uncharted territory, it’s tempting to consider shortcuts. Too often, companies cobble together a return on investment by gathering X-data and then searching for pieces of O-data to make a case. This typically results in

a “back of the napkin” prediction that won’t stand up to scrutiny by those responsible for justifying investments and documenting financial return.

The X+O Roadmap plots a journey that lays the necessary groundwork for high-value X- and O-integration. From there, companies are able to generate the actionable insights and incremental wins that lead to real ROI and long-term competitive advantage.





THE X+O ROADMAP



X- AND O-DATA ACROSS THE JOURNEY

Here are examples of common X-data and O-data that companies collect throughout the customer journey.

		
PRE-SALE	<ul style="list-style-type: none"> • Online experience • Web intercepts • Lost-deal feedback • Cart abandonment 	<ul style="list-style-type: none"> • Registrations • Conversions • SEO rankings • Lead tracking
START	<ul style="list-style-type: none"> • New customer feedback • Installation feedback • Delivery, activation complaints 	<ul style="list-style-type: none"> • Close rate data • Installation quality • Time to install
USE	<ul style="list-style-type: none"> • Relationship feedback • Focus groups • Advisory boards • Product feedback • Interviews 	<ul style="list-style-type: none"> • Usage data • Financial metrics • Competitive insights • Attach rates • Warranty claims
SUPPORT	<ul style="list-style-type: none"> • Transaction feedback • Call recordings • Complaint systems 	<ul style="list-style-type: none"> • Quality metrics • Process efficiency • First-call resolution • Transfers/handoffs
REPURCHASE	<ul style="list-style-type: none"> • Closed-loop feedback • VoCE • Loyalty metrics 	<ul style="list-style-type: none"> • Churn rates • Purchase patterns • Usage data • Service patterns



While we recommend that all companies complete Stages 1 through 3 to build the proper framework for successful integration, the X+O Roadmap doesn't require a linear progression beyond Stage 3. In fact, it's likely companies will have multiple projects underway—and at various stages—at the same time.

STAGE 1

O-DATA



O-Data Inventory

Operational data—a primary element in the integration roadmap—is essential to achieving the maximum benefit. The O-data inventory centers on understanding the operational data and metrics used to manage the business. It involves engaging relevant O-data stakeholders in the process and looking more closely at what departments and functional areas are tracking and measuring. The inventory enables companies to focus on metrics that are ripe for combining with experience data. In the beginning, these might include:

- Internal metrics the company considers important, which may be key performance indicators used to evaluate managers and employees.
- O-data metrics that directly impact the customer—especially those for which internal goals are set arbitrarily or based on prior performance without customer input, such as time from order to delivery, length of support call or time to resolution of support case.
- Operational metrics that are under consideration or monitored but have not been validated as having an impact on the customer experience.
- Operational metrics that the company struggles to improve.

Starting with O-data makes it easier to determine the type of experience data that will add the most value. This starting point not only confirms which internal metrics matter to customers, but also helps companies gain a deeper understanding of the experience—and the business—from the outside in.

X-DATA



XM Design

Often running concurrently with the O-data inventory, XM design is a critical first step in implementing successful X- and O-data integration. Few companies start here, however, and in some cases this macro-level planning phase is overlooked altogether in favor of simply launching a survey.

Informed by a thorough understanding of O-data, XM design encompasses a holistic view of the customer journey to examine where and how customer listening can be most fruitful. It also evaluates where opportunities to gain valuable feedback are being missed. More than fielding a survey, this stage is meant to conceive a full program that prescribes when and how customer experience feedback is gathered and how it will be used. This should include a mapping of the customer journey, as well as thoughtful examination of listening posts to identify gaps in knowledge and understanding—all of which should be accomplished before designing a specific program or survey.

Ultimately, the goal of XM design is to collect the right data to make better business decisions.



STAGE 2

O-DATA



O-Data Prep and Acquisition

With operational data typically spread across different systems and formats, O-data prep and acquisition can be a heavy lift for most companies. Ensuring data is in the right format and properly aggregated is key. In addition to being compatible with the field or file format of the X-data, the O-data should also align with X-data at the right level, whether that be by account, geographic region, business unit or unit of time (daily, weekly, monthly, quarterly, etc.).

In the ideal scenario, O-data is integrated as X-data is collected, with a consistent stream of current data available to provide timely insights, identify key drivers and analyze cause and effect. If simultaneous integration is challenging, however, the integration of X- and O-data should occur as soon as possible to yield the best results.

X-DATA



X-Data Collection

Experience data collection is the detailed process of gathering customer feedback from predetermined sources such as surveys, qualitative interviews, social media monitoring, call notes, voice of the customer through employees (VoCE) and other listening posts. As opposed to merely generating X-data to track and monitor, companies should enter the X-data collection stage with a clear understanding of how the feedback will help lead to better business decisions and improved customer experiences.

X-data collection includes mapping out the process to acquire the desired experience data. Consideration should be given to:

- Defining the questions to ask and determining the target audience.
- Examining the proper methods to obtain the right information.
- Establishing how the collected information will be used (e.g., undertaking micro- and/or macro-level actions or implementing closed-loop follow-up).
- Determining the required cadence, which when aligned with the flow of O-data, enables continual connections between the two sets of data over time.



STAGE 3

Companies begin to see the benefit of integrating X- and O-data at this point in the roadmap. In addition to identifying key experience and operational drivers, the interplay of experience and operational data provides valuable insight on cause and effect.

O-DATA



Operational Drivers

While companies generally analyze internal operations using only O-data, adding X-data offers significant value:

- Collect targeted X-data to explain changes in O-data trends

Example: Customers with declining product usage are flagged; root cause analysis reveals a change in the user interface made it harder to accomplish a specific task.

- Use customers' stated objectives to segment O-data

Example: Website feedback allows a company to segment their site analytics by the customers' stated reasons for visiting; this enables the company to see that customers looking for information on a particular product had the most clicks but the weakest perceptions of that experience.

- Use X-data to validate operational improvements

Example: A company decides to move certain customer support cases to an off-shore contact center. By monitoring survey feedback, they determine that a small subset of case types had lower satisfaction, so they moved those back to on-shore contact centers.

X-DATA



Experience Drivers

Analysis of X-data can be used to answer questions that are key in making important organizational decisions. Some require only X-data, but many rely on the use of some O-data:

- Use O-data and X-data to find outlier customer segments

Example: Customers who returned an item in the past three months because the "product was not as described" are four times less likely to consider the company in the future.

- Use O-data to prioritize X-data feedback

Example: While overall percent of high-risk customers is low, many of the company's largest revenue customers are high risk and therefore much less likely to continue purchasing.

- Align O-data to look for causes of X-data scores

Example: Declining trend in product satisfaction scores occurs after the release of a software update, indicating a challenge with the upgrade process.



X+O Alerts

During Stage 3, companies learn that looking exclusively at X-data or O-data can conceal important drivers. At Stage 4, the focus shifts to analyzing X-data and O-data to create smart action alerts for when the company needs to intervene and fix an experience delivery issue. This stage provides the necessary insight to establish performance thresholds to help ensure customer satisfaction.

Example: When a customer who has expressed concern with the upgrade process is asked to migrate to a new release, a higher-level software engineer is alerted to help walk the customer through the process and provide a white-glove service experience to the customer.

By aligning X-data with operational metrics, companies also can predict the operational triggers that result in poor customer experiences. Alerts make it possible for companies to act quickly to restore customer confidence and, potentially, to address the issue so that other customers aren't affected.

Example: If the internal “time to resolve” metrics begin to exceed the established threshold that distinguishes between happy and unhappy customers, calls begin rerouting to other resources, including managers, who can alleviate backlogs and keep customers from getting frustrated with the time it takes to resolve an issue.





X+O Personalize

Executing the X+O integration roadmap allows ample opportunity for companies to reap the benefits of designing predictive, personalized experiences that enhance the customer relationship. With a better understanding of who customers are and how they interact with the business (O-data), companies can use customer needs and perceptions (X-data) to deliver an experience that's more likely to meet expectations without the customer asking for it. Using X+O tools, companies can also develop personas—segmenting customers based on a set of criteria—to create

personalized experiences that meet unique needs.

Example: A customer has had a negative experience with a contact center due to the number of handoffs. When that customer engages with the contact center, he or she is automatically routed to a different, more seasoned representative with immediate access to the prior case records. Because the representative doesn't have to gather foundational information from the customer, the customer's next experience is likely to be more favorable than the previous one.





X+O ROI

Companies too often restrict their ROI efforts to determining the total revenue impact of increasing customer loyalty (or Net Promoter Score) by one percentage point. While some view this as a valid approach, it has limited value. By oversimplifying cause and effect and discounting the inherent complexity of today's business environment, this shortsighted approach is hard to substantiate and unlikely to convince CFOs and others who are more inclined to ask "how?" or "why?"

Generating actionable insights that improve the customer experience takes time and effort. The X+O Roadmap plots the journey from the critical inventory and design stages to data collection and then on to effective, results-oriented data integration. Along the way, companies are likely to achieve successes that show some return on investment. While some will be tied to increased

revenue, the process can also lead to other positive outcomes. For example:

- Cost savings tied to an improved customer experience
- Lower volume of support cases
- Fewer emergency deliveries
- Fewer defects
- Extension of customer contracts
- Higher renewal rates
- Cross-sell/upsell opportunities

In the end, the real advantage of this approach is its ability to help companies quantify over time the benefits, ROI and long-term value associated with improving the customer experience.



COMMON OBSTACLES

Gathering the right data and using it in the right way are imperative to achieving optimal success with an X+O strategy. Even with a roadmap, it's easy to veer off course chasing data-related issues that can be cumbersome and complicated, especially in complex organizations. Particularly in the first two stages of the integration roadmap—O-data inventory and O-data prep and acquisition—companies may encounter obstacles as they procure, manage and organize their operational data.

Derailed by data

We mentioned earlier that it's best to start with O-data when implementing an X+O strategy. And while it's the ideal entry point, this is also where companies are likely to run into barriers related to:

Accessibility. There is a tendency for data to be siloed across multiple functional areas and departments. Building a cross-functional network and gaining buy-in are critical. Completing a comprehensive O-data inventory is best accomplished by engaging with various O-data stakeholders to enlist a network of allies and advocates.

Accuracy. For the best results, data needs to be continually updated. It's important to link back to the source data and avoid creating redundant or duplicate processes.

Completeness. It's not uncommon for customer data to be incomplete, especially the data fields that are entered by account management. These may include the customer contact's management level or whether the customer represents a strategic or new account. One way to help address this concern is to create initiatives or motivational campaigns targeted to account management teams to ensure data fields are complete and all customers are covered.

Continuity. X- and O-data integration shouldn't be considered a single point-in-time activity. There are advantages in being able to identify and analyze patterns in the data over long periods of time. For example, there may be a lag between when something is noticed internally and when it's realized by customers. A better understanding of lag times helps companies be more proactive with communications to improve the customer experience. A long lag time presents an opportunity for targeted communications to ensure customers are aware of what has been changed and how it impacts them. Overall, automating the processes will help address data continuity issues, allowing for a stream of fresh data, not a drip.

Aggregation. Data can exist at a variety of disparate levels—individual, business unit, geography, account, etc. This can make it difficult to aggregate and join data, especially if customers are identified or named differently across data sources. It's beneficial to identify the user audience to prioritize which level will generate the most value.

Timing. Request data from stakeholders well before it's needed. Allowing ample time up front will help identify and troubleshoot any issues with format or aggregation. It also provides time to truly consider the questions the data integration should answer and how those insights can help improve the experience. When asking for data, it's important to let stakeholders know what they can expect in return to help them better manage their corner of the business and demonstrate the value of the program.



WALKER'S SERVICES

Walker provides a wide range of flexible services to maximize your technology investment and accelerate the success of XM initiatives.

- Technology services. Implementation and engineering services for all programs, from fast starts to highly customized deployments.
- Managed services. Flexible professional services model for end-to-end program management and optimization.
- Advisory services. Tailored advisory solutions to build a world-class experience management practice.

As important as what we provide is how we deliver it. At Walker, we provide a highly personalized experience regardless of if you are new to XM or you have a well-established program that you want to take to the next level.

WALKER'S PARTNERSHIPS

Walker's strategic partnerships ensure that we provide best-in-class XM tools to complement our broad range of services. Walker is a charter member of the Qualtrics Partner Network (QPN) and is proud to be a top Delivery and Consulting partner in North America – recognized as CX Partner of the Year in 2019. Walker is also an SAP Silver Partner, specializing in helping companies make the most of their data.



To learn more about Walker, please visit walkerinfo.com

THE CX LEADER PODCAST

The CX Leader Podcast with host Steve Walker provides weekly insights for business leaders to improve results by unlocking the potential of their customer experience. More than a discussion of CX topics, the podcast focuses on ways CX professionals can develop the right skills and ideas to be effective leaders in their organizations.



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